



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	HB0661	Title:	Revise abortion laws
Primary Sponsor:	Boniek, Joel	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
State Special Revenue	\$7,458	\$5,958	\$0	\$3,053
Revenue:				
State Special Revenue	\$7,458	\$5,958	\$0	\$3,053
Net Impact-General Fund Balance:	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Description of fiscal impact:

HB 661 requires the Department of Public Health and Human Services to license and inspect abortion facilities. The bill also provides rulemaking authority for the department to establish and implement a fee to be charged to these facilities for the licenses.

FISCAL ANALYSIS

Assumptions:

Department of Public Health and Human Services

- Licensure of health care facilities is provided by the Department of Public Health and Human Services (DPHHS), Quality Assurance Division (QAD), Licensure Bureau.
- Abortion services are currently provided by 11 facilities as defined in 50-20-104. Three of those facilities are licensed hospitals as defined in Title 50, chapter 5. Therefore, eight facilities will be immediately subject to the licensure requirements of this legislation. The count of facilities is based upon facilities currently reporting to DPHHS Office of Vital Statistics.
- It is estimated that in the first year, eight applications will be received after passage of this bill, and additional applications are likely to be received over the next four years, but the number cannot be determined.

4. The estimated cost for rule development is \$1,500. The total publication cost is based upon the Office of Legal Affairs estimate of 30 pages of rules to implement the bill. Publication costs for rules at the Secretary of State's office are \$50/page, for a total \$1,500 ($30 \times \$50 = \$1,500$).
5. Staff time to develop the rules will take approximately 200 hours. The assistance of agency legal staff is estimated at 24 hours. This workload will be completed by existing staff in QAD and agency legal staff.
6. Upon receipt of an application, an on-site licensure inspection will be conducted before issuing a license. Licensure inspections will be done by utilizing the contracted services of facility licensure inspectors.
7. It is estimated that on-site licensure inspection will take approximately 14 hours to complete based upon an estimate of similar licensing activities for outpatient facilities. This includes travel time, on-site survey time, report write up and follow up activities for approval of a plan of correction.
8. The estimated contracted cost per on-site licensure inspection is approximately \$371, based upon the salary and benefits for a pay band 6 ($\$55,302 / 2088 \times 14 \text{ hours} = \371).
9. Travel costs for eight on-site licensure inspections are \$2,992. This cost is estimated at approximately \$374 per trip based on an average round trip travel of approximately 500 miles, per diem, and lodging for one night.
10. The total estimated cost per on-site licensure inspection is expected to be \$745 ($\$371 + \$374 = \745).
11. Therefore, total costs for eight on-site licensure inspections are estimated to be \$5,958 ($\$745 \times 8 = \$5,958$).
12. Abortion facilities can be granted licenses for 1, 2 or 3-year periods (Extended Licensing). During the first year of the 2011 biennium, the eight facilities requiring licensure will be granted a 1-year license. The total first and second year licensing cost for eight facilities is estimated to be \$5,958 each year. During the 2nd year of licensing renewals, the department will determine extended licenses. For purposes of this fiscal note, it is estimated that one-half will be granted a two year license and the other one-half will be granted a 3 year license. Therefore, in year three there are no on-site licensing costs. In year four it is estimated that on-site licensing costs will be \$2,979 ($\$745 \times 4 = \$2,979$).
13. A 2.5% inflationary factor is included in FY 2012 and FY 2013 for operating costs.
14. The revenue derived from each applicant will be deposited into a state special revenue fund to pay for the licensing costs of each facility.
15. The summary of expenditures and revenue is as follows:

	FY 2010	FY 2011	FY 2012	FY 2013
# of facilities inspected	8	8	0	4
Expenditures				
Legal Filing Fees	\$1,500			
Contracted Services	\$2,966	\$2,966	\$0	\$1,521
Travel	\$2,992	\$2,992	\$0	\$1,532
Expenditure Total	\$7,458	\$5,958		\$3,053
Revenue				
Publication	\$1,500			
Contracted Services	\$2,966	\$2,966	\$0	\$1,521
Travel	\$2,992	\$2,992	\$0	\$1,532
Revenue Total	\$7,458	\$5,958	\$0	\$3,053

Department of Justice:

16. Information is not available to determine how many violations of Section One might occur; therefore, the Department of Justice is unable to determine what fiscal impact this bill would have.

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	\$7,458	\$5,958	\$0	\$3,053
<u>Funding of Expenditures:</u>				
State Special Revenue (02)	\$7,458	\$5,958	\$0	\$3,053
<u>Revenues:</u>				
State Special Revenue (02)	\$7,458	\$5,958	\$0	\$3,053
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
State Special Revenue (02)	\$0	\$0	\$0	\$0

Technical Notes:

1. The bill provides for an effective date of July, 1, 2009. The bill provides DPHHS with rulemaking authority. This rulemaking process requires approximately five months to complete. Based upon an estimated April passage of this legislation, the earliest that rules could be adopted and effective is estimated to be October 2009.

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date

**Dedication of Revenue 2011 Biennium**GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING**17-1-507-509, MCA.**

- a) **Are there persons or entities that benefit from this dedicated revenue that do not pay? (please explain)**

No, the revenue is applicable to offset the department costs of facility licensure.

- b) **What special information or other advantages exist as a result of using a state special revenue fund that could not be obtained if the revenue were allocated to the general fund?**

The bill provides for a special revenue account. The advantages are to track and monitor licensing costs and determine licensing fees to be charged for facility licensure.

- c) **Is the source of revenue relevant to current use of the funds and adequate to fund the program activity that is intended? Yes / No (if no, explain)**

Currently, there is no revenue collected for this purpose. If this bill passes, use of the revenue is intended to fund the licensure activity.

- d) **Does the need for this state special revenue provision still exist? ___Yes ___No (Explain)**

Yes, as proposed in the bill.

- e) **Does the dedicated revenue affect the legislature's ability to scrutinize budgets, control expenditures, or establish priorities for state spending? (Please Explain)**

Yes, it will specifically identify revenue and costs associated with licensure requirements of abortion facilities.

- f) **Does the dedicated revenue fulfill a continuing, legislatively recognized need? (Please Explain)**

Yes, as proposed in the bill.

- g) **How does the dedicated revenue provision result in accounting/auditing efficiencies or inefficiencies in your agency? (Please Explain. Also, if the program/activity were general funded, could you adequately account for the program/activity?)**

Provides for identification of licensure revenue and expenditures for abortion facility licensure as defined in the bill. Program activities could be tracked if general funded.